REIMBURSEMENT AGREEMENT

THIS AGREEMENT is made and entered into as of the _____day of December , 2002, between RAPID CITY SCHOOL DISTRICT NO. 51-4, 300 6th Street, Rapid City, South Dakota 57701, hereinafter referred to as the "District", and CITY OF RAPID CITY, SOUTH DAKOTA, 300 6th Street, Rapid City, South Dakota 57701, hereinafter referred to as "City";

WITNESSETH:

WHEREAS, the District entered into an agreement with Lifeways, Inc., 2107 Juniper Street, Rapid City, South Dakota 57702 for provision of alcohol, tobacco and other drug prevention services; and

WHEREAS, the City has agreed that it will share a portion of the cost thereof;

WHEREAS, the District has agreed that it will make payment of the sums due Lifeways, Inc., and

WHEREAS, the City has agreed that it will reimburse the District for a portion of such costs;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

1. Payment by City for Services. The City agrees that it will reimburse the District for a portion of the cost of the services to be provided by Lifeways, Inc. pursuant to that certain Contract for Alcohol, Tobacco, and Other Drug Prevention Services entered into between Lifeways, Inc., and the District, a true and correct copy of which is marked Exhibit A, attached hereto and incorporated herein by this reference. Such reimbursement shall be as follows:

Contract year January 1, 2003 through June 30, 2003
City of Rapid City -- \$25,000
Rapid City Area Schools -- \$25,000

State of South Dakota -- \$138,745.50

Contract year July 1, 2003 through June 30, 2004
Rapid City Area Schools -- \$50,000
State of South Dakota -- \$352,491

Contract year July 1, 2003 through December 31, 2003 City of Rapid City -- \$25,000

Dates of Reimbursement. The City's reimbursement to the District shall commence January 15, 2003, in the amount of Twenty-Five Thousand and 00/100 Dollars (\$25,000) and Twenty-Five Thousand and 00/100 Dollars (\$25,000) on August 15, 2003. The parties agree that, in the event funds are not made available by appropriate budget action of the City, this Agreement shall be modified to reflect changed funding, or, in the event no funding is made available, to terminate the City's obligation for payments hereunder.

| Dated this | day of | , 2002. | |
|------------|--------|--------------------------------------|---------------|
| | | RAPID CITY AREA SCHOOL DISTRICT 51-4 | |
| | | By Its President | /Al Campbell |
| | | By Its Business Manager | /R. D. Dryden |
| | | CITY OF RAPID CITY, SOUTH DAKOTA | |
| | | By Its Mayor | /Jerry Munson |
| | | By | /Jim Preston |

Its Finance Officer